

February 9, 2011

SB265: Reduce property taxes on new construction for use of gray water systems

Introduced by: B. Hamlett

If a person reads the definitions of "gray water system" and "household wastewater" in Section 1 parts (2a) and (2b), the only water that could be considered gray water is that from tubs/showers, and bathroom/utility sinks.

The initial builder and/or owner of a structure may assume that these facilities would not ever receive urine, fecal, or infectious waste, but who can tell how someone will really use a sink or tub/shower.

A pet owner, for example, could bathe their dog and the animal may do its business. I worked in a veterinary hospital in a previous life so know such things happen.

Who can tell if someone won't rinse diapers in a deep sink in the laundry room?

How can a gray water system really be monitored and considered safe?

According to the 2009 Energy Conservation Installation Credit form (ENRG-C) on the Montana income tax return, the amount of credit allowed is 25% of the expenditure up to a maximum of \$500 for each spouse.

This is a onetime credit for energy improvements...not a deduction from property taxes over multiple years.

In 2006, I spent \$7,173 for replacement windows in my home and received only \$1,000 credit.

Why should a single residence get a 15% property tax break, or multiple dwelling projects get a 30% break for 10 years for the installation of a system such as outlined in this bill? Both the percentages and durations of the tax break seem excessive.

Where is the fiscal note that estimates such things as:

- the number of systems contemplated in the next 10 years
- the estimated value of the properties
- the property tax revenue that would not be collected because of the proposed tax breaks?

For the above reasons, I ask the members of the committee to vote no on this bill.

Thank you,

Cindy Swank

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